Billing Challenges: Optimizing Pharmacy Reimbursement and Revenue Coding

Lisa M. Tompkins
Standard Technology, Inc
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Purpose

- Pharmacy Billing and Reimbursement has continued to be a challenge in the MHS.
- Accurate Revenue Coding is imperative in optimizing Third Party Collections (TPC).

Third Party Outpatient Collection System- Next Generation (TPOCS- NG)

- Many upgrades have been developed in TPOCS to enhance TPC by providing the necessary data fields and information needed by third party payers.
- These upgrades will prevent underpaid and denied claims.

TPOCS- NG Upgrades

- **System changes include:**
  - ***Prescription (RX) Number***
  - ***Number of Days Supply***
  - ***New Module to Update the Data Upload***

Electronic Billing

- **Electronic billing is a fast paced, effective means of submitting claims and receiving payment.**
- **TPOCS- NG does not utilize electronic billing for Pharmacy claims. Only paper claims are submitted.**
- **Paper Claims are reimbursed in approximately 30 to 60 days, while electronic claims are paid in 7 to 10 days!!**
- **Impact Innovations Government Group, Inc (IIGGI) has an on-going review to determine the feasibility of incorporating electronic Pharmacy billing to TPOCS-NG.**
- **IIGGI has identified a clearinghouse that supports electronic billing via the NCPDP format.**

Revenue Coding

- **According to the National Uniform Billing Committee (NUBC), a Revenue Code refers to a code which identifies a specific accommodation, ancillary service, or billing calculation.**
- **Revenue Codes are required for Medicare, Medicaid, Blue Cross, and Commercial Insurance Plans.**
- **Accurate coding is required for billing, reimbursement, and compliance.**

System Change Request (SCR)

- A SCR is being submitted to add a drop down menu for Revenue Coding.
- The drop down menu will allow users the ability to select the default Revenue Code or choose from a list of Revenue Codes, allowing more accurate coding and eliminating returned claims based upon improper coding.
- The revised Revenue Code list will apply to Pharmacy Claims and outpatient clinics.

Assignment of Revenue Codes

MEPRS Code	Outpatient Clinic	Revenue Code
BAA	Internal Medicine	510 Gen. Classification
BAA	Internal Medicine	517 Family Practice
BA A	Internal Medicine	983 Professional Fees

- ***In this example, the drop down menu will default to Revenue Code 510, however, the user will be able to choose the most appropriate code- either 510, 517, or 983. Many third party payers are no longer accepting code 510, therefore it is imperative that users choose codes that apply to the site where services are performed, the actual treatment provided, and the appropriate code based upon third party payer rules and regulations.***

Revenue Coding

- Many third party payers establish specific guidelines for accepting Revenue Codes.
- Whenever Revenue Codes are not accepted for any outpatient service by a third party payer, the payer must submit their guidelines in writing.
  - *This applies to out of the norm coding, i.e. code 510.*

Third Party Payer Special Situations

Mailhandlers was inappropriately reimbursing $35, their fee for an office visit, regardless of what amount was billed. This has been corrected and they will now pay at 70% of the participating provider level. Mailhandlers will reimburse claims back to January 1, 1998. They will only reevaluate claims that are resubmitted. MTFs should resubmit the necessary claims. Contact your legal advisors for additional information and pursue these refunds.

Remember, USC Title 10 states that the right to receive payment is not based upon contractual agreements with Third Party Payers!

Conclusion

Accurate and efficient data entry is necessary to process clean claims. Many revisions in TPOCS-NG will expedite the claim filling process and eliminate the high numbers of many returned claims due to incorrect information.

Proper Revenue Coding is necessary for claim submission and sufficient reimbursement from third party payers.

Optimize within Compliance Guidelines!

For more info…

Please contact Lisa Tompkins at 703.681.6123 ext. 1046 or Lisa.Tompkins@tma.osd.mil